INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics &SCM
Post Graduate Diploma in Materials Management - 2 years
PAPER No.14 (enrolment code –CPM, CPS)
PAPER No. 12 (enrolment code- PMM, PSM,)

June 2023

Inventory Management

Date   : 17.06.2023   Max. Marks : 70
Time   : 10.00 a.m to 1.00 p.m.   Duration   : 3 Hrs.

Instructions:
1. From Part A – answer all questions (compulsory). Each sub questions carries 1 mark.   **Total : 20 Marks**
2. From Part B – Answer any 3 questions out of 5 questions. Each question carries 10 marks.   **Total :30 Marks**
3. Part C is a case study (compulsory) with questions. Read the case study carefully and answer the questions
                                                                                                      Total: 20 Marks

_____

Part – A   [20 Marks]
(Attempt all questions. Each sub question carries 1 mark.)

Q.1. Fill in the blanks. (Do not reproduce the statement) [5 marks]

i)   Goals of Inventory is to meet _____demand and mitigate shortage of ------------.
ii)   ---------------Costs are incurred on storing of inventory before it is sold or consumed.

iii)   Inventory Accounting Methods include ---------
iv)   --------is the period between ordering the material and receiving in stores.
v)   SOS Analysis is based on ---------------- of items

Q. 2. State True or False (Do not reproduce the statement) [5 marks]

a) Lower COGS, in turn, increases the gross profit of the organization.

b) Pareto principle states critical few is separated from the trivial many.

c) In VMI ultimate responsibility to replenish the stock lies with Buyer

d) Time-series forecasting method is used to predict future sales based on a   different time period in the past..

e) In Perpetual inventory model, the stock levels are regularly checked after a specific period.

Q.3. Expand the following: [5 marks]

a) EPQ   b) SMED   c) TPM   d) TQM   e) FMCG

Q. 4. Match the following :   [5 marks]

Sl. No.	Description (Column A)		Description (Column B)
1.	FIFO	A	Stock verification
2.	JIT	B	Sales
3.	POS	C	Card to control production.
4.	Kanban	D	Pull System
5.	Auditor	E	Perishable Product.

PART B [30 marks]
(Attempt any 3. Each question carries 10 marks)

Q.5 a) What are different types of inventory ? What are objectives inventory control ? **[5 marks]**

b) Explain Selective Inventory Control Methods and its criteria. **[5 marks]**

Q.6 a) What is VMI? How you will implement it ?   **[5 marks]**
b) Which Forecasting methods you will suggest for launch of innovative product and forecasting existing FMCG. Explain the methods.   **[5 marks]**

Q.7 a) Distinguish between MRP, MRP II and ERP. **[5 marks]**
b) Explain JIT. What are requirement of JIT for implementation? **[5 marks]**

Q.8 a) How you will control Finished Goods Inventory ? **[5 marks]**
 b) Explain various methods of Stock Verifications. **[5 marks]**

Q. 9 Write short notes on any four:**[4 x 5 = 20 marks]**
  a)   Kaizen, Kanban, TPM
  b)   Inventory Control in Retail.
  c)   Principles of Forecasting
  d)   WIP Inventory
  e)   Security and Loss Prevention of stock

PART – C   (20 marks)

(Compulsory)

Q. 10   Compute ABC Analysis from the following data:

Compute ABC

Item No		Annual Quantity	Unit cost Rs
101		360	100
102		300	1050
103		1800	6
104		1800	5
105		480	50
106		2400	1
107		3600	2
108		180	500
109		500	48
110		3000	2
111		1000	1
112		1000	1
A=80%	B=15%	C=5%	

a)   Work out Annual Cost of items.

b)   Arrange Annual Cost of items in descending order

c)   Show Cumulative Annual Cost

d)   Classify A category items as 80% of total cumulative value.

e)   Classify B category items as 15% if total cumulative value

f)   Classify C category items as 5% of total cumulative value